

Governor's Military Affairs Commission (GMAC)
Agenda Item #8 – Arizona Legislative Update/1st Session – 48th Legislature
July 10, 2007

H2148 (Chapter 244): RETIREMENT; ASRS; MILITARY SERVICE CREDIT

Retroactive to July 1, 2007, an active ASRS member or one currently receiving benefits is permitted to purchase credited service for active military service if the member becomes disabled during that service and is unable to return to the same employer. If a plan member suffers a disabling injury while in military service, the employer must make a lump sum contribution of both the employer and employee shares covering the period of one year from the date of disability. Self-repeals July 1, 2009. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [38](#)

First sponsor: Rep. McClure

Others: Rep. Alvarez, Rep. Crandall, Rep. Konopnicki

H2300 (Chapter 252): WATER DISTRICT; UPPER SAN PEDRO

Authorizes formation of the Upper San Pedro Water District to maintain a supply of water for the residents and to ensure the mission of Fort Huachuca is not compromised by water supply issues. [The district is located generally along the basin of the San Pedro River from where the river enters the United States to approximately 10 miles north of Benson.] The district is a public improvement district and a municipal corporation, and is exempt from taxation. A 9-member organizing board is established for the district. Five members are appointed by the governor, and two members each are appointed by the Senate president and House speaker. The organizing board shall prepare plans for the conservation, reuse and discharge of water in the district; a fiscal plan detailing how adequate revenues will be generated; and a plan for an election at which voters will approve or disapprove of district formation and elect a permanent 7-person board of directors. The board shall also decide whether a public vote to approve the levy of a 50-cent-per-thousand gallon sales tax on water should occur simultaneous with the approval of the district or at a later election. Powers and duties of the board of directors include: issuing bonds, imposing and collecting fees, selling water or water rights, acquiring loans and grants, acquiring facilities and resources, and entering into contracts and intergovernmental agreements. The district is prohibited from: imposing mandatory water conservation measures within the district; regulating the acquisition or use of water; selling potable water; or regulating the subdividing or development of land parcels within the District. New subdivisions in the district must have an adequate water supply unless they qualify for an exemption which may be granted by the Dept of Water Resources based on projected capital investment or contracts that assure an adequate water supply will be available within 20 years. The District must submit an annual report to the Legislature containing specified information regarding District water use, projects, permits, and programs, as well as District finances. The Auditor General must do a special audit of the District after the first 5 years of operation. The bill contains two conditions for enactment, both of which have been satisfied by other legislation during this legislative session. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [45](#) [48](#)

First sponsor: Rep. Burns

H2635 (Chapter 202): CHILD CUSTODY; MILITARY DEPLOYMENT

A child custody decree that is entered in contemplation of or during the military deployment of a custodial parent must specifically reference the deployment and include provisions governing custody of the child at the conclusion of the deployment. After the deployment ends, either parent may petition the court to modify the custody decree, and a hearing or conference on the

petition must be held within 30 days of the date of filing. If a military deployment results in a child being relocated outside of the US during deployment, Arizona remains the home state of the child until the deployment ends. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [25](#)

First sponsor: Rep. Hershberger

Others: Rep. Nelson, Rep. Rios, Sen. Linda Gray, Sen. Johnson, Sen. Rios, Sen. Soltero

H2765 (Chapter 18):

NATIONAL GUARD; CIVIL LIABILITY; INDEMNITY

Members of the National Guard are afforded the same immunity protection granted to public employees and law enforcement personnel for acts that occur within the scope of the Guardsman's duties if those acts are performed as a result of a direct order from a commanding office or are otherwise consistent with standard procedures and protocols. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [26](#)

First sponsor: Rep. Nichols

Others: Rep. Adams, Rep. Anderson, Rep. Barnes, Rep. Boone, Rep. Brown, Rep. Burns, Rep. Cloves Campbell Jr., Rep. Clark, Rep. Driggs, Rep. Groe, Rep. Konopnicki, Rep. Mason, Rep. McComish, Rep. McGuire, Rep. McLain, Rep. Murphy, Rep. Nelson, Rep. Pearce, Rep. Reagan, Rep. Rios, Rep. Robson, Rep. Stump, Rep. Tobin, Rep. Ulmer, Rep. Jim Weiers, Rep. Yarbrough

H2784 (Chapter 258):

BUDGET; TAX RELIEF PACKAGE; 2007

Makes appropriations and session law changes related to tax reduction in the fiscal 2007-08 budget. The reduction from 25% to 20% in the assessment ratio for commercial property (Class 1 and Class 6 - enterprise zones) originally scheduled in one-half percent annual increments is changed to one percent increments and will reach 20% in 2012 (previously, in 2015). A new accelerated depreciation table for personal property placed into service during or after the 2008 tax year is established, increasing the depreciation allowance in each of the first 6 years of service by 5%. For tax years 2008 through 2012, an individual income tax subtraction for contributions to a college savings plan (called 529 plans by the IRS) is allowed, up to \$1500 for married filing jointly and \$750 for single or head of household. A tax credit is allowed for tax years 2008 through 2012 for cash contributions made to the Military Family Relief Fund, up to an aggregate maximum of \$1 million per year. Sales of tickets to the 2009 NBA All Star Game and related events are exempt from state sales tax if Phoenix is chosen to host the game and the City provides a sales tax exemption for the same event. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [20](#) [42](#) [43](#)

First sponsor: Rep. Boone

H2785 (Chapter 259):

BUDGET RECONCILIATION; PROCEDURES

Makes statutory and session law changes related to budget procedures in the fiscal 2007-08 budget. Monies in the Telecommunications Fund, regardless of source and including all subaccounts, are subject to legislative appropriations. Beginning July 1, 2007, the amount paid by state agencies to the Dept of Administration for administering the personnel system is increased to 1.07% of each participating agency's total payroll from 1.04%. State agencies must obtain approval of the Information Technology Authorization Committee for I.T. project changes and contract amendments that exceed \$1 million (currently, ITAC authorization is necessary only if the original contract exceeds \$1 million). Permits (currently, requires) the board of directors for the Greater Arizona Development Authority to direct the State Treasurer to divest monies in the GADA revolving fund to pay the principal and interest on bonds issued by GADA. Maricopa County is added to the list of counties that

is required to gain voter approval before accepting financial assistance from GADA. A Statewide Information Security and Privacy Office (SISPO) is established in the Government Information Technology Agency (GITA). SISPO shall develop and ensure compliance by state agencies with a plan to assure that information held by the state is secure and private. The contract issued by GITA for the state web portal must be approved by JLBC before the contract may take effect. The elections officer in each county in charge of any statewide, county or legislative election must provide for a live video recording of the custody of all ballots located in a counting center, and retain the recording as a public record, and make the live video feed available from a link on the Secretary of State's website. Various appropriations, including \$5,000 to each county to pay for the video recording of ballot counting; \$500,000 to GITA to fund SISPO; \$350,000 to the Navajo Tribe to fund senior citizen centers; \$250,000 to the Dept of Emergency and Military Affairs to pay for an increase in uniform and equipment allowances for guardsmen. Any change to the Dept of Revenue's BRITS system (business reengineering/integrated tax system) that changes the contractor's share of gain-sharing proceeds must be approved by JLBC. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [41](#)

First sponsor: Rep. Boone

S1007 (Chapter 239): VEHICLE LICENSE TAX; MILITARY EXEMPTION

Changes in the program exempting members of the armed forces, National Guard and reservists from the payment of vehicle license taxes and vehicle registration fees. The exemption is for Arizona residents (formerly, for any member of the military who owned or leased a vehicle registered in Arizona), may be taken only one time, and lasts from deployment until one year after the member's discharge from the military. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [28](#)

First sponsor: Sen. Waring

S1014 (Chapter 227): UNAUTHORIZED USE; SOLDIER'S NAME; PICTURE

The right to control and to choose whether and how to use a soldier's name, portrait or picture for commercial purposes is recognized as each soldier's "right of publicity," which is defined as a property right that survives a soldier's death and, on the soldier's death, may only be enforced by a legally designated representative or certain family members. Some specified uses are exempt, including a work of art or literature, and news or public affairs broadcasts. Unauthorized use is a class 1 (highest) misdemeanor and may also result in a civil action brought by the soldier or a legal representative. Contains a severability clause. Effective May 24. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [44](#)

First sponsor: Sen. Waring

S1069 (Chapter 280): POSTSECONDARY EDUCATION GRANTS & SCHOLARSHIPS

Establishes an early graduation scholarship grant program whereby a student who graduates from high school at least one year early can receive a grant of up to \$1250 for the first year of postsecondary education at a qualifying school (defined) and up to \$750 for the second year. A student who graduates at least one semester early can receive a grant of up to \$1000 for the first year and \$500 for the second year. The high school may continue to include the student in enrollment figures for purposes of calculating state aid, except a flat \$2200 per student who graduates at least one year early, and \$1700 per student who graduates at least one semester early, is withheld by the Department of

Education to offset the costs of the grants. The Commission for Postsecondary Education must develop application procedures for the grants and is responsible for awarding grants each year to eligible students, in the order applications are received. The Commission must also submit an annual report on early graduates and early graduation scholarship grants to the governor and the Legislature. The early graduation scholarship program self-repeals on July 1, 2017. Also, the postsecondary education grant program is modified, including stipulating that employees of post-secondary institutions and their family members are ineligible for grants if the person is eligible for a tuition waiver or reimbursement as a benefit of employment at the institution, and deleting the requirement for a recipient to be a resident of the state for the prior five consecutive years. The list of students eligible for postsecondary education grants is expanded to include a member or spouse of a member of the military stationed in the state. AS SIGNED BY GOVERNOR.

ARS Titles Affected: [15](#)

First sponsor: Sen. Linda Gray

Others: Rep. Anderson, Rep. Jerry Weiers, Sen. Blendu, Sen. Harper, Sen. Johnson

S1326 (Chapter 197): GOLDWATER RANGE; CONCURRENT JURISDICTION

The list of lands on which both the state and the federal government have concurrent criminal jurisdiction is expanded to include the Goldwater Range. AS SIGNED BY GOVERNOR. .

ARS Titles Affected: [37](#)

First sponsor: Sen. Leff